

## RENEWABLE FUELS AND COPRODUCTS

### **159A.1 Findings.**

The general assembly finds and declares the following:

1. The production and processing of agricultural commodities and products represents the foundation of this state's economy, and the economic viability of this nation is contingent upon the production of wealth generated primarily from materials, including food and fiber, produced on this nation's family farms.
2. It is necessary to support industries using agricultural commodities to increase the demand for and production and consumption of sources of energy in order to reduce the state's dependency upon petroleum products; to reduce atmospheric contamination of this state's environment from the combustion of fossil fuels; and to produce coproducts, such as corn gluten feed, distillers grain, and solubles, which can be used to increase livestock production in this state.
3. This state adopts a policy of enhancing agricultural production by encouraging the development and use of fuels and coproducts derived from agricultural commodities, as provided in this chapter, including rules adopted by the office of renewable fuels and coproducts and the renewable fuels and coproducts advisory committee.

91 Acts, ch 254, §6; 94 Acts, ch 1119, §11

### **159A.2 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. "*Biodiesel*" and "*biodiesel blended fuel*" mean the same as defined in section 214A.1.
2. "*Committee*" means the renewable fuels and coproducts advisory committee established pursuant to section 159A.4.
3. "*Coordinator*" means the administrative head of the office of renewable fuels and coproducts appointed by the department as provided in section 159A.3.
4. "*Coproduct*" means a product other than a renewable fuel which at least in part is derived from the processing of agricultural commodities, and which may include corn gluten feed, distillers grain, or solubles, or can be used as livestock feed or a feed supplement.
5. "*Department*" means the department of agriculture and land stewardship.
6. "*Ethanol blended gasoline*" means the same as defined in section 214A.1.
7. "*Fund*" means the renewable fuels and coproducts fund established pursuant to section 159A.7.
8. "*Office*" means the office of renewable fuels and coproducts created pursuant to section 159A.3.
9. "*Renewable fuel*" means the same as defined in section 214A.1.
10. "*Renewable fuels and coproducts activities*" means either of the following:
  - a. The research, development, production, promotion, marketing, or consumption of renewable fuels and coproducts.

*b.* The research, development, transfer, or use of technologies which directly or indirectly increase the supply or demand of renewable fuels and coproducts.

91 Acts, ch 254, §7; 94 Acts, ch 1119, §12; 2000 Acts, ch 1018, §1; 2004 Acts, ch 1086, §106; 2006 Acts, ch 1142, §7375

## **Footnotes**

Further definitions, see § 159.1

### **159A.3 Office of renewable fuels and coproducts.**

1. An office of renewable fuels and coproducts is created within the department and shall be staffed by a coordinator who shall be appointed by the secretary. It shall be the policy of the office to further renewable fuels and coproducts activities. The office shall first further renewable fuels and coproducts activities based on the following considerations:

*a.* The price competitiveness of the renewable fuel or coproduct.

*b.* The production capacity and supply of the renewable fuel or coproduct.

*c.* The ease and safety of transporting and storing the renewable fuel or coproduct.

*d.* The degree to which the renewable fuel or coproduct is currently developed for ready transfer to current engine technology.

*e.* The degree to which the renewable fuel or coproduct is environmentally protective.

*f.* The degree to which the renewable fuel or coproduct provides economic development opportunities.

2. The duties of the office include, but are not limited to, the following:

*a.* Serving as advisor to the department regarding regulations, including federal and state standards, relating to oxygenates, as defined in section 214A.1.

*b.* Serving as advisor to the department regarding renewable fuels and coproducts programs.

*c.* Serving as monitor of regulations administered in the state, in other states, or by the federal government. The office shall collect information and data prepared by state agencies related to these regulations, and provide referral and assistance to interested persons and agencies.

*d.* Cooperating with persons and agencies involved in renewable fuels and coproducts activities, including other states and the federal government, to standardize regulations and coordinate programs, in order to increase administrative effectiveness and reduce administrative duplication.

*e.* Implementing policies and procedures designed to facilitate communication between persons involved in renewable fuels and coproducts activities.

*f.* Assisting state or federal agencies, or assisting commercial enterprises or commodity organizations which are located in or desiring to locate in the state. The assistance may include support of public research relating to renewable fuels and coproducts activities.

*g.* Conducting studies relating to the viability of producing or using renewable fuels and coproducts, and methods and schedules required to ensure a practicable transition to the use of renewable fuels and coproducts.

*h.* Preparing an annual report to the secretary regarding renewable fuels and coproducts activities. The report shall include a review of research and research results, areas of study with promising potential, a summary of initiatives in other states, and an analysis of state and federal regulations and programs.

*i.* Cooperating with the committee in carrying out the purposes of the committee as provided in section 159A.5. The office shall regularly inform the committee regarding its operations and programs administered under this chapter, including financial reports concerning the fund.

*j.* Approve a renewable fuel which may be used as a flexible fuel powering a motor vehicle required to be purchased by state agencies.

3. *a.* A chief purpose of the office is to further the production and consumption of ethanol blended gasoline in this state. The office shall be the primary state agency charged with the responsibility to promote public consumption of ethanol blended gasoline.

*b.* The office shall promote the production and consumption of biodiesel and biodiesel blended fuel in this state.

4. The office and state entities, including the department, the committee, the Iowa department of economic development, the state department of transportation, the department of natural resources, and the state board of regents institutions, shall cooperate to implement this section.

91 Acts, ch 254, § 8; 92 Acts, ch 1239, § 33; 94 Acts, ch 1119, §13; 2003 Acts, ch 44, §41, 42; 2006 Acts, ch 1142, §76, 83

#### **159A.4 Advisory committee.**

1. A renewable fuels and coproducts advisory committee is established within the department. The committee shall be composed of the following persons:

*a.* The secretary, or a person designated by the secretary, representing the department of agriculture and land stewardship, who shall be the chairperson of the committee.

*b.* The director of the Iowa department of economic development, or a person designated by the director, representing the Iowa department of economic development.

*c.* The director of the state department of transportation, or a person designated by the director, representing the state department of transportation.

*d.* The director of the department of natural resources, or a person designated by the director, representing the department of natural resources.

*e.* A person representing retail dealers as defined in section 214A.1 who shall be actively engaged in the business of selling motor fuel on a retail basis.

*f.* A person representing refiners of petroleum products who shall be actively engaged in the business of refining petroleum into motor fuel for the purpose of sale within the state.

*g.* A person representing an organization serving livestock producers in this state.

- h.* A person representing the Iowa corn growers association.
- i.* A person representing the Iowa soybean association.
- j.* A person actively engaged in farming, as defined in section 9H.1.
- k.* A person representing the renewable fuels industry in this state.

The governor shall appoint persons who shall be confirmed by the senate, pursuant to section 2.32, to serve as voting members of the committee. However, the secretary of agriculture shall appoint the person representing the department of agriculture and land stewardship, the director of the Iowa department of economic development shall appoint the person representing that department, the director of the state department of transportation shall appoint the person representing that department, and the director of the department of natural resources shall appoint the person representing that department. The governor may make appointments of persons representing organizations listed under paragraphs "g" through "i" from a list of candidates which shall be provided by the organization upon request by the governor.

2. The members appointed pursuant to subsection 1, paragraphs "e" through "k", shall serve three-year terms beginning and ending as provided in section 69.19. However, the governor shall appoint initial members to serve for less than three years to ensure members serve staggered terms. A member is eligible for reappointment. A vacancy on the committee shall be filled for the unexpired portion of the regular term in the same manner as regular appointments are made.
3. The committee shall include four ex officio nonvoting members who shall be legislative members. The legislative members are two state senators, one appointed by the president of the senate, after consultation with the majority leader of the senate, and one appointed by the minority leader of the senate, after consultation with the president of the senate, from their respective parties; and two state representatives, one appointed by the speaker of the house of representatives, after consultation with the majority leader of the house of representatives, and one appointed by the minority leader of the house of representatives, from their respective parties.
4. The committee shall meet on a regular basis and at the call of the chairperson or upon the written request to the chairperson of two or more voting members.
5. The members other than those enumerated in subsection 1, paragraphs "a" through "d", are entitled to receive compensation as provided in section 7E.6.
6. Five voting members constitute a quorum and the affirmative vote of a majority of the voting members present is necessary for any substantive action to be taken by the committee. The majority shall not include any member who has a conflict of interest and a statement by a member that the member has a conflict of interest is conclusive for this purpose. A vacancy in the membership does not impair the duties of the committee.
7. The committee shall be staffed by the agricultural marketing division of the department. The coordinator shall serve as secretary to the committee.

91 Acts, ch 254, § 9; 92 Acts, ch 1013, § 13; 94 Acts, ch 1119, §1417; 2006 Acts, ch 1142, §83

#### **159A.5 Purpose of the committee.**

1. The purpose of the committee is to provide general oversight of operations of the office and to advise the office about all aspects concerning the production and consumption of renewable fuels and coproducts. However, the committee shall not control policy decisions or direct the administration of this chapter.

2. The committee shall monitor conditions, practices, policies, programs, and procedures affecting the production and consumption of renewable fuels and coproducts.
3. The committee shall monitor the condition of the fund and financial reports concerning the fund submitted by the office.
4. The committee shall review the annual report to the secretary regarding renewable fuels and coproducts activities, as provided in section 159A.3. The committee may make written comments concerning the contents of the report. Upon request of the committee, the coordinator shall include the comments as part of the report.
5. The committee, in cooperation with the coordinator, shall do all of the following:
  - a. Review the operations of the office and shall make recommendations regarding the effectiveness of programs provided under this chapter.
  - b. Establish performance goals for the office and adopt recommendations relating to improving the functions of the office and furthering the purposes of this chapter.
  - c. Encourage full support of programs designed to inform the public or targeted groups regarding renewable fuels and coproducts production and consumption.
  - d. Support promotional programs or marketing strategies designed to encourage public consumption of renewable fuels and coproducts.

91 Acts, ch 254, § 10; 92 Acts, ch 1099, § 1, 2, 10; 92 Acts, ch 1163, § 40; 94 Acts, ch 1119, §18

#### **159A.6 Education, promotion, and advertising.**

1. The office shall support education regarding, and promotion and advertising of, renewable fuels and coproducts. The office shall consult with the Iowa corn growers association and the Iowa soybean association.
2. The office shall promote the advantages related to the use of renewable fuels as an alternative to nonrenewable fuels. Promotions shall be designed to inform the ultimate consumer of advantages associated with using renewable fuels, and emphasize the benefits to the natural environment. The promotion shall inform consumers at the businesses of retail dealers of motor vehicle fuels.

The committee shall develop standards for decals required pursuant to section 214A.16, which shall be designed to promote the advantages of using renewable fuels. The standards may be incorporated within a model decal adopted by the committee and approved by the office.

3. The office shall promote the advantages related to the use of coproducts derived from the production of renewable fuels, including the use of coproducts used as livestock feed or meal. Promotions shall be designed to inform the potential purchasers of the advantages associated with using coproducts. The office shall promote advantages associated with using coproducts of ethanol production as livestock feed or meal to cattle producers in this state.
4. The office may contract to provide all or part of these services.

91 Acts, ch 254, § 11; 92 Acts, ch 1099, § 3; 92 Acts, ch 1163, § 41; 94 Acts, ch 1119, §19

#### **159A.6A Renewable fuels and coproducts research.**

The office shall support research relating to renewable fuels and coproducts, including methods to increase efficiency and reduce costs associated with production. The office shall consult with the Iowa corn growers association and the Iowa soybean association. The office shall support research activities at the university of Iowa, Iowa state university of science and technology, and the university of northern Iowa. The office may contract to provide all or part of these services.

94 Acts, ch 1119, §20

#### **159A.6B Technical assistance.**

The office shall assist persons in revitalizing rural regions of this state, by providing technical assistance to new or existing renewable fuel production facilities, including the establishment and operation of facilities, and specifically facilities which create coproducts, including coproducts which support livestock production operations. The office shall consult with the Iowa corn growers association and the Iowa soybean association. The office shall provide planning assistance which may include evaluations of methods to most profitably manage these operations. The business planning assistance shall provide for adequate environmental protection of this state's natural resources from the operation of the facility.

The office may execute contracts in order to provide technical support and outreach services for purposes of assisting and educating interested persons as provided in this section. The office may also contract with a consultant to provide part or all of these services. The office may require that a person receiving assistance pursuant to this section contribute up to fifty percent of the amount required to support the costs of contracting with the consultant to provide assistance to the person. The office shall assist the person in completing any technical information required in order to receive assistance by the department of economic development pursuant to the value-added agricultural products and processes financial assistance program created pursuant to section 15E.111. The office shall cooperate with the department of economic development, the department of natural resources, and regents institutions or other universities and colleges as provided in section 15E.111, in order to carry out this section.

94 Acts, ch 1119, §21

#### **159A.7 Renewable fuels and coproducts fund.**

1. A renewable fuels and coproducts fund is created in the state treasury under the control of the office of renewable fuels and coproducts. The fund may also include other moneys available to and obtained or accepted by the office, including moneys from the United States, other states in the union, foreign nations, state agencies, political subdivisions, and private sources.

Moneys in the fund shall be used only to carry out the provisions of this section and sections 159A.3, 159A.4, 159A.5, 159A.6, 159A.6A, and 159A.6B within the state of Iowa.

2. Moneys in the fund shall be allocated during each fiscal year as follows:

*a.* At least forty percent shall be dedicated to support education, promotion, and advertising of renewable fuels and coproducts as provided in section 159A.6.

*b.* Up to thirty percent may be dedicated to support research at the university of Iowa, Iowa state university of science and technology, and the university of northern Iowa, as provided in section 159A.6A.

*c.* Any remaining balance shall be used by the office to support technical assistance as provided in section 159A.6B and any other projects or programs developed by the office.

3. Moneys in the fund are subject to an annual audit by the auditor of state. The fund is subject to warrants by the director of the department of administrative services, drawn upon the written requisition of the coordinator.

4. In administering the fund, the office may do all of the following:

*a.* Contract, sue and be sued, and adopt procedures necessary to administer this section. However, the office shall not in any manner, directly or indirectly, pledge the credit of the state.

*b.* Authorize payment from the fund for commissions, attorney and accountant fees, and other reasonable expenses related to and necessary for administering the fund.

5. Section 8.33 does not apply to moneys in the fund. Income received by investment of moneys in the fund shall remain in the fund.

91 Acts, ch 254, §12; 92 Acts, ch 1099, § 4, 10; 93 Acts, ch 180, § 74; 94 Acts, ch 1119, §22; 97 Acts, ch 207, §79, 15; 2000 Acts, ch 1230, §21, 22; 2002 Acts, 2nd Ex, ch 1003, §67, 79; 2003 Acts, ch 145, §286

**159A.8 Ethanol production incentive program.** Repealed by 94 Acts, ch 1119, §37.